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***Mixed Market Signals in Pre-owned Gulfstream Markets***

In our previous Gulfstream Pre-owned Aircraft Market Report, Hagerty Jet Group predicted a choppy 2019 for business jet transactions. Entering into Q2, we continue to sense mixed market signals with steady transaction volume, but with increasing supply and notably decreasing ask prices

Transaction volume in Q1 2019 was stronger than we anticipated. Most pre-owned Gulfstream markets we track had stronger transaction volume in the past quarter than the prior 12 months. Most notably, there were 16 G550 sales in Q1 2019. That’s almost double the average of the previous three years.

We tracked a spike in Off Market aircraft transactions that were not publicly advertised or unknown by market participants. For example, 6 of the 16 G550 transactions for the quarter were considered Off Market deals. We consider this as an indication that many buyers are frustrated by the lack of good inventory and sought direct opportunities with unlisted aircraft.

Although average values remain flat across most makes and models, we expect prices to soften in Q2. In the G550 market alone, there were 14 price reductions in the quarter with an average decrease of -9%. This signals that Sellers are lowering price expectations to compete for buyers who are otherwise considering Off Market alternatives. Although the G550 market had a bump in values of nearly 10% last year, we believe demand will wane with fewer transactions in Q2 than Q1 and at lower prices.

General sentiment from our peers in the broker community signals a decrease in overall demand as global economic uncertainty continues to loom. Fears of a 2020 recession, the unknown impact of Brexit and US/China trade relations are several common talking points in the industry. The Trump-Bump from a year ago seems to have faded and normalized. Now it’s back to business as usual.

We are watching closely the new G500 market emerge. The first Pre-Owned G500 came to market in late March with a \$49.99M ask price. This is a newly delivered airplane with ferry time only. The ask price is arguably slightly higher than a new plane with a 2020 delivery. We’re interested to see the premiums, if any, a buyer will pay to mark the first “pre-owned” G500 transaction. Please continue to subscribe to receive future editions of our quarterly market report.



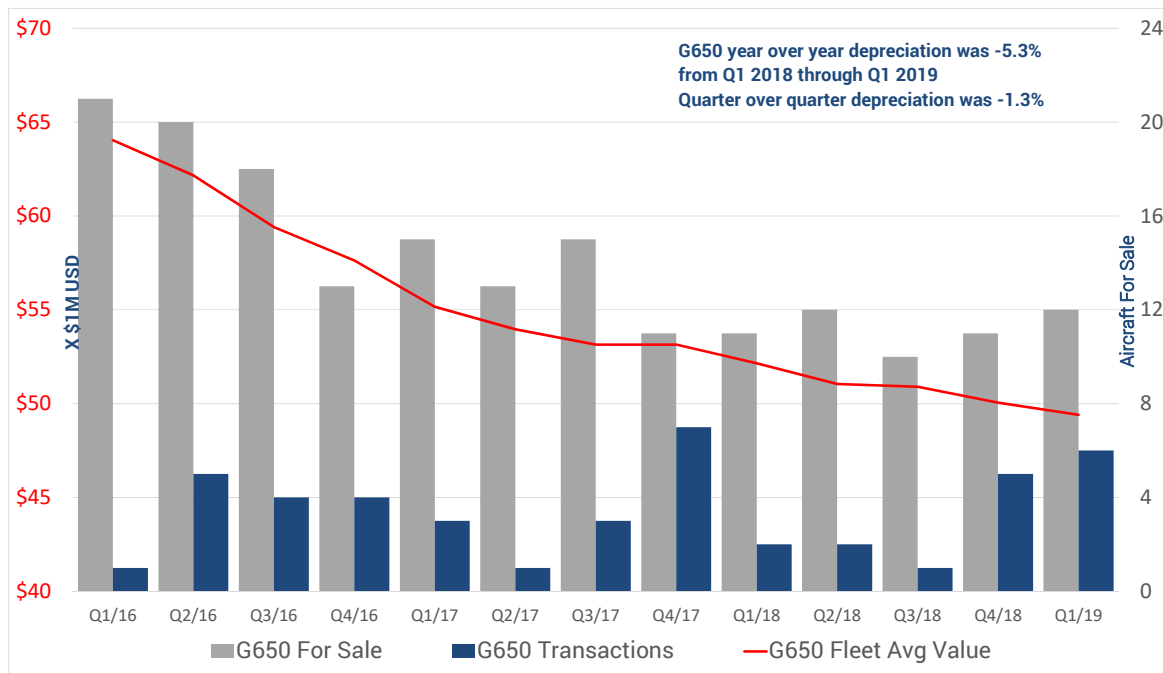
# Gulfstream G650

Current Supply of G650/ER's in the market: **12**

In production <b>348</b>	Available For Sale 24 MO High <b>15 - Q3 2017</b>	Advertised Price Reductions <b>2</b>	Current G650 Avg. Ask Price <b>\$52.75M USD</b>
Deals Pending <b>1</b>	Available For Sale 24 MO Low <b>10 - Q3 2018</b>	Average Price Reduction <b>4.7%</b>	% Available w/Fwd Galley <b>91%</b>
Net For Sale <b>11</b>	Q1 2019 Transactions <b>6</b>	Current G650 Ask Price Range <b>\$43.5M - \$62M USD(Incl. ER)</b>	% Equipped w/Crew Rest <b>91%</b>
% Of Fleet For Sale <b>3.1%</b>	Transaction Same Period 2018 <b>2</b>	Avg. YTD Sales Price <b>\$53.6M USD</b>	Average Days On Market <b>184</b>

## Gulfstream G650 Value/Transaction History

As of March 29, 2019



## G650 Market Summary

There are 12 G650/ER aircraft on the market with 1 deal pending. Among the 11 aircraft still for sale, 3 have the ER upgrade. The total 11 aircraft represent 3.1% of the entire fleet of 348 aircraft built between 2013 and today. The industry average is almost triple that, at 9%. Supply has hovered between 10 and 12 aircraft every quarter since Q4 2017.

First Quarter 2019 brought 6 sales transactions, the second highest amount since Q4 2014 and triple the amount of transactions (2) from Q1 2018. Half of the 6 sales were Off Market aircraft.

Current Ask Prices range between \$43.5M and \$62M, for an average of \$53.6M. a slight drop from the previous quarter when prices spanned \$44.9M to \$66M, for an Average Ask Price of \$56.5M.

Average days on market this quarter was 184, just two days longer than last quarter.

Values continued to drop in Q1, landing below \$50M for the first time. YOY depreciation was -5.3%, QOQ depreciated -1.3%.



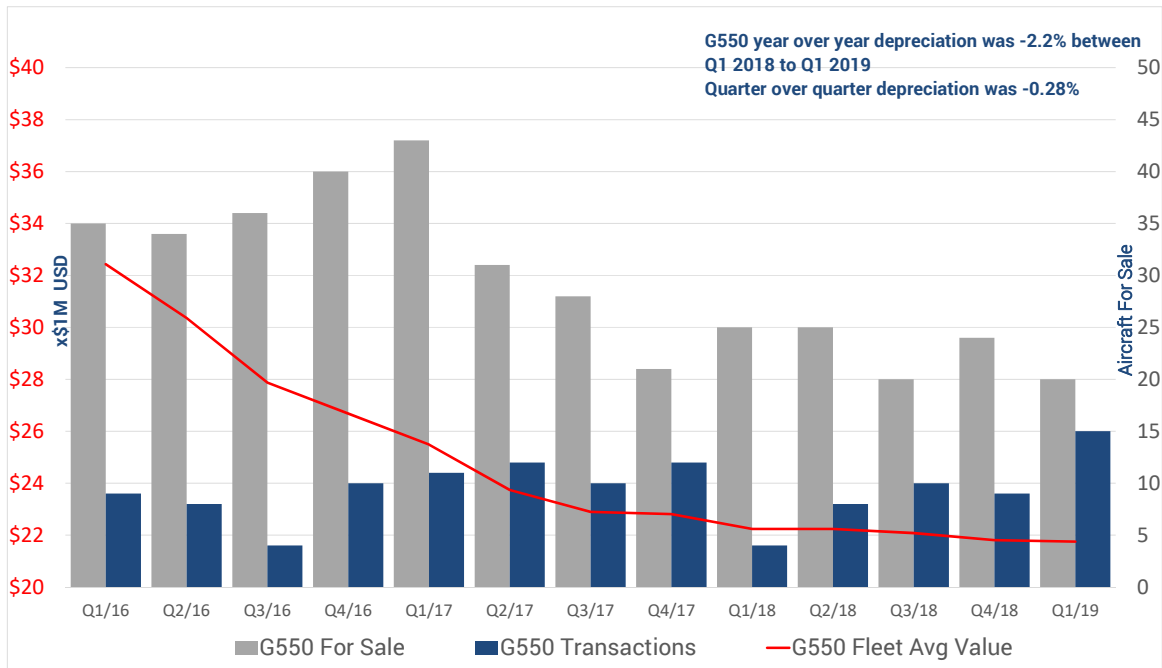
# Gulfstream G550

Current Supply of G550's in the market: **19**

In production <b>582</b>	Available For Sale 24 MO High <b>31 - Q2 2017</b>	Advertised Price Reductions <b>14</b>	Avg Sale Price Q1 2019 <b>\$26.35M USD</b>
Deals Pending <b>2</b>	Available For Sale 24 MO Low <b>19 - Q1 2019</b>	Avg Price Reduction <b>-9%</b>	Q1 2019 Sale Price Range <b>\$21.7M - \$31M USD</b>
Net For Sale <b>17</b>	Transactions Q1 2019 <b>16</b>	Current G550 Ask Price Range <b>\$15.25M - \$45M USD</b>	Average Days On Market <b>216</b>
% Of Fleet For Sale <b>3%</b>	Transactions Same period 2018 <b>4</b>	Current G550 Avg. Ask Price <b>\$30.12M USD</b>	% Equipped w/Crew Rest <b>53%</b>

## Gulfstream G550 Value/Transaction History

As of March 29, 2019



## G550 Market Summary

There are 18 pre-owned G550's and 1 G500's on the market with 2 deals pending. The current supply of 17 aircraft represent only 3% of the entire fleet of approximately 582 aircraft built between 2003 and today. Supply of G550's has stabilized in the last 15 months, with 20-25 aircraft for sale at any given time. However, with a low percentage of the fleet for sale, there are few options for buyers in any segment of the G550 market.

With only 5 aft galley G550's on the market, it would appear there would be sufficient forward galley options. However, the bulk of aircraft with desirable configurations are found mostly in Asia. The most common demand from buyers has been a forward galley configuration with a crew rest area. 7 aircraft for sale meet this criteria. Ironically, almost half of all Q1 transactions - 7 of the 16 - were Aft Galley configurations, which is higher than we've seen in recent years.

Transaction levels were higher than we've seen since before Q3 2013, with 16 G550 transactions since the start of 2019. More than a third of the transactions - 6 of the 16 - were Off Market aircraft.

With 2 deals pending, we expect that number may increase before the quarter ends. Part of the impetus behind the increase in sales were the 14 advertised price reductions, a much higher than normal amount.

Sale prices in Q1 2019 ranged between \$21.7M and \$31M for an average sale price of \$26.35M.

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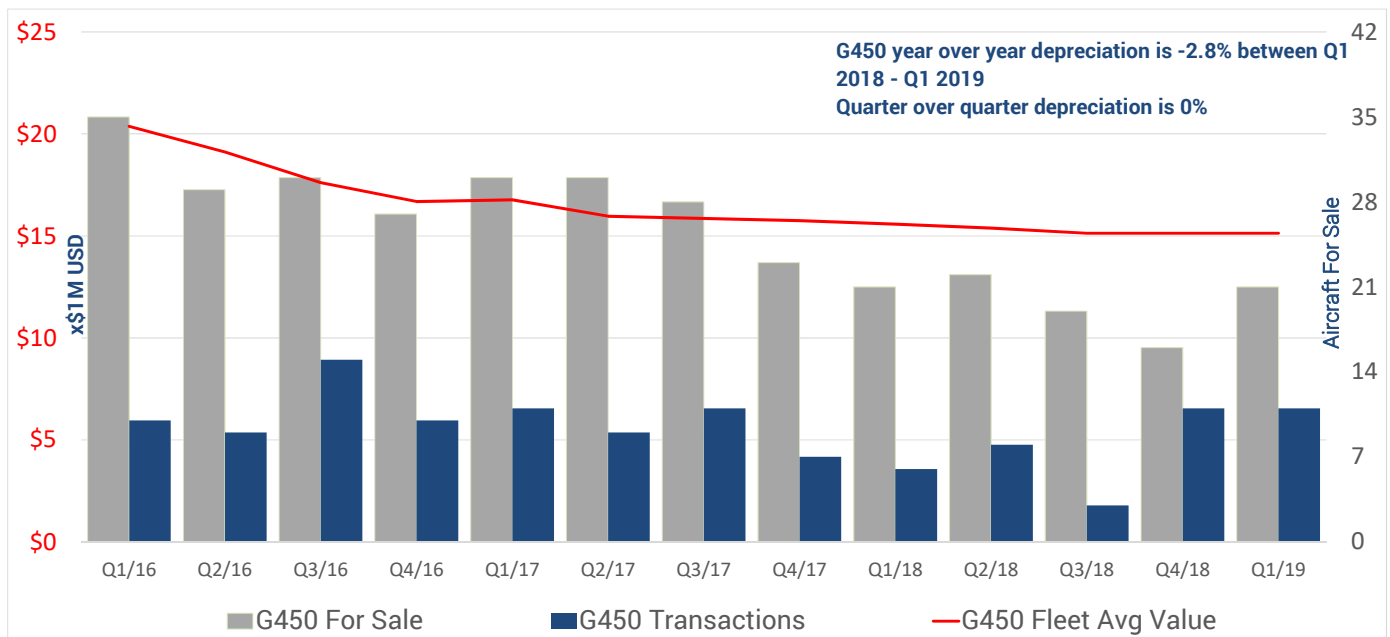
# Gulfstream G450

Current Supply of G450's in the market: **19**

In production <b>354</b>	Available For Sale 24 MO High <b>30 - Q2 2017</b>	Advertised Price Reductions <b>1</b>	Avg Sale Price Q1 2019 <b>\$11.45M USD</b>
Deals Pending <b>1</b>	Available For Sale 24 MO Low <b>16 - Q4 2018</b>	Avg Price Reduction <b>-6.4%</b>	Q1 2019 Sale Price Range <b>\$8.75M - \$13.25M USD</b>
Net For Sale <b>18</b>	Transactions Q1 2019 <b>12</b>	Current G450 Ask Price Range <b>\$9M - \$21M USD</b>	Average Days On Market <b>157</b>
% Of Fleet For Sale <b>5%</b>	Transactions Same period 2018 <b>6</b>	Current G450 Avg. Ask Price <b>\$15M USD</b>	% on Engine Programs <b>68%</b>

## Gulfstream G450 Value/Transaction History

As of March 29, 2019



## G450 Market Summary

G450 sales activity beat last quarter's total of 11 sales by 1, with 12 transactions in Q1 2019. Current supply represents 5% of the fleet of 354 aircraft built between 2004 and 2018. Supply has risen this quarter after last quarter's record low of 16 aircraft, back to the average of 20 aircraft since Q4 2017, with 19 aircraft now advertised for sale. Deliveries of new G500's could add supply to the pre-owned G450 market this year, and potentially lowering values further.

Q1 sale prices ranged from \$8.75M to \$13.25M, bringing the average sale price to \$11.45M. Buyers are actively looking for G450's in the \$10M and below range, and finding few options to choose from.

Average days on market for the G450 have dropped significantly to 157 days, another indication of increased demand in this market.

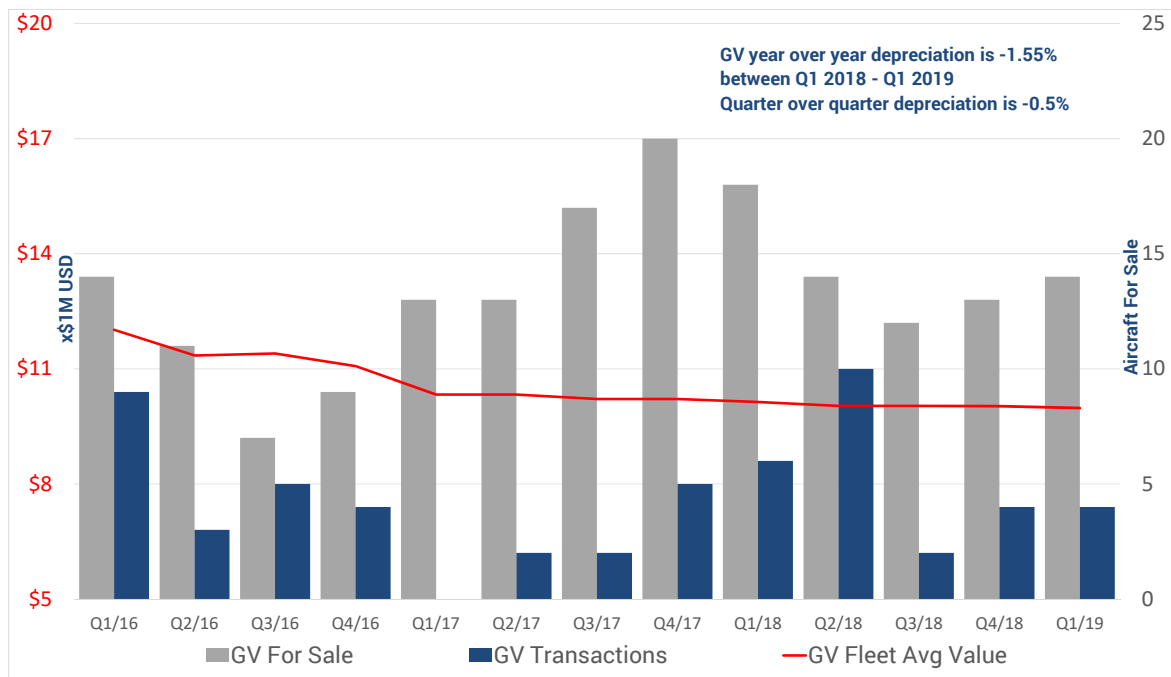
G450 fleet average values remain at 15.131 for the third quarter in a row. YOY and QOQ depreciation this quarter were minimal, with YOY depreciation at 2.8% and no QOQ depreciation.



In Service <b>191</b>	Available For Sale 24 MO High <b>20 - Q4 2017</b>	Advertised Price Reductions <b>1</b>	Avg Sale Price Q1 2019 <b>\$10.12M USD</b>
Deals Pending <b>1</b>	Available For Sale 24 MO Low <b>12 - Q3 2018</b>	Avg Price Reduction <b>-8%</b>	GV Average Days on Market <b>307</b>
Net For Sale <b>13</b>	Transactions Q1 2019 <b>6</b>	Current GV Ask Price Range <b>\$5.99M - \$11.99M USD</b>	% with Fwd Galley <b>71.4%</b>
% Of Fleet For Sale <b>6.8%</b>	Transactions Same period 2018 <b>6</b>	Current GV Avg. Ask Price <b>\$8.99M USD</b>	% with Engine Program <b>86%</b>

## Gulfstream GV Value/Transaction History

As of March 29, 2019



## GV Market Summary

There are 14 GV's advertised on the market with 1 deal pending, for a net of 13 aircraft, representing 6.8% of the entire fleet of 191 aircraft built between 1995 and 2002. This is slightly lower than the industry average of 9% but considerably higher than the G450 or G550. Supply is starting to rise after Q3 2018's inventory bottomed out at 12 aircraft, following a market high of 20 aircraft for sale in Q4 2017. The GV provides a lot of value for only a few million dollars more than a similar vintage G-IVSP, and compares favorably to the G550 which is priced on average 2-2.5 times higher for a newer vintage pre-owned aircraft.

Sales were consistent with the previous quarter and last year's Q1, at 6 transactions.

The average Ask Price this quarter for GV's was just below \$9M, trending slightly below the \$9.87M average six months ago. Ask prices currently range between \$5.99M for a high time 1997 model on an engine program to \$11.99M for a 2002 model on all programs, fresh 144/192-month inspections, all 2020 software upgrades and exterior paint updated last December. The sweet spot for the GV market appears to be in the \$10-12M range for aircraft on engine programs with Plane Deck, or at least the FANS/CPDLC and ADS-B Out requirements, which can be very costly.

While prices have stabilized on the GV's dwindling inventory, we have seen an increase in the time it takes to sell an aircraft. Since the beginning of last year, the GV market has increased from 200 days to 307 average days on market. YOY depreciation was at -1.55%, QOQ depreciation at only -0.5%.

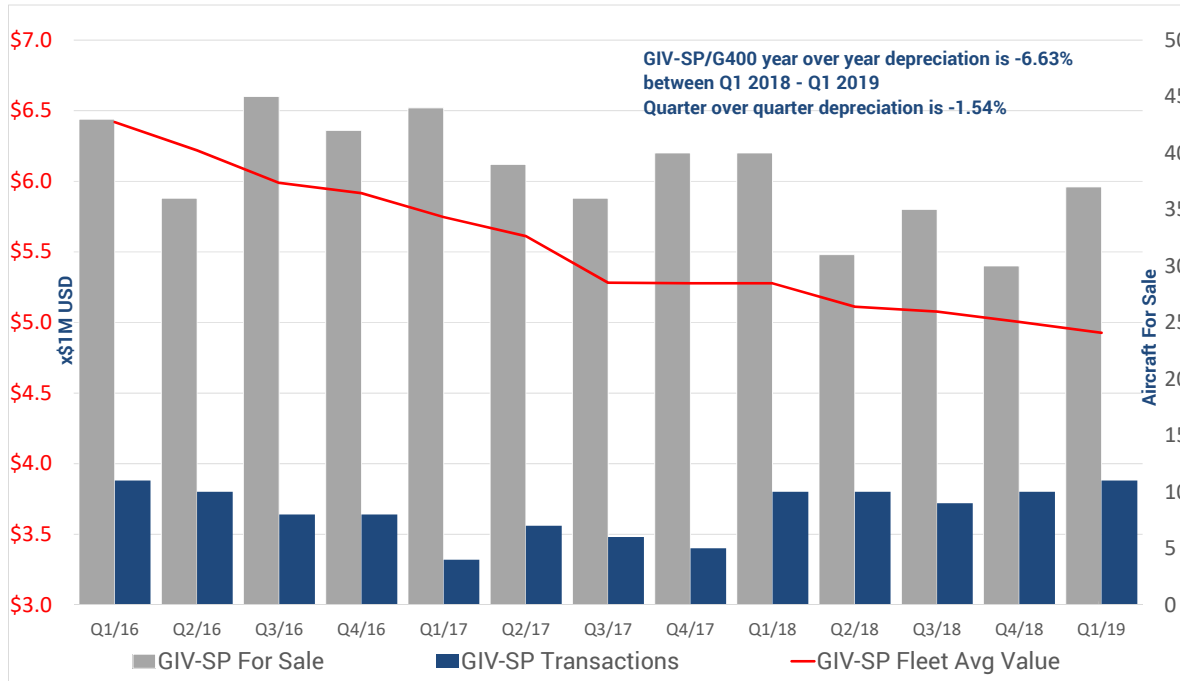


# Gulfstream IV-SP

Current Supply of GIV-SP's in the market: **43**

In production <b>514 Incl IV/300/400</b>	Available For Sale 24 MO High <b>40 - Q1 2018</b>	Advertised Price Changes <b>7</b>	Avg Sale Price Q1 2019 <b>\$4.27M USD</b>
Deals Pending <b>4</b>	Available For Sale 24 MO Low <b>30 - Q4 2018</b>	Average Price Reduction <b>-12%</b>	Q1 2019 Sale Price Range <b>\$1.55M - \$7M USD</b>
Net For Sale <b>39</b>	Transactions Q1 2019 <b>19</b>	Current GIV-SP Ask Price Range <b>\$1.5M - \$7.29M USD</b>	Average Days On Market <b>345</b>
% Of Fleet For Sale <b>7.5%</b>	Transactions Q1 2018 <b>10</b>	Current GIV-SP Avg. Ask Price <b>\$4.4M USD</b>	% Enrolled on Engine Program <b>49%</b>

## Gulfstream GIV-SP Value/Transaction History As of March 29, 2019



## GIV-SP Market Summary

There are 43 pre-owned GIV-SP, GIV, G300 and G400 aircraft listed on the market with 4 deals pending. The remaining 39 listings represent 7.5% of the overall fleet of 514 airplanes. 2 aircraft are currently advertised as 'lease only.'

The current supply of 43 aircraft is the highest we've seen in the past 12 months. Values continue their gradual decline that began in Q3 2017, in contrast to the sharp dip in the two years prior.

Sales were also on the upswing: 19 transactions in Q1 2019, almost double that of Q1 2018 at 10 sales. 36% of all transactions - 7 of the 19 - involved Off Market aircraft. Price reductions were rampant as well. A total of 7 advertised reductions, one as much as 33% below previous Ask.

Published ask prices currently range from \$1.5M for a 7,036 hour 1989 model on RRCC, to \$7.29M for a 2000 model just listed, enrolled on JSSI Platinum engine & APU programs with 7,848 total hrs and 2020 software upgrades. Average Asking Price for this market is \$4.4M.

Q1 YOY depreciation was considerable at 6.63%, while QOQ depreciation dropped -1.54%.





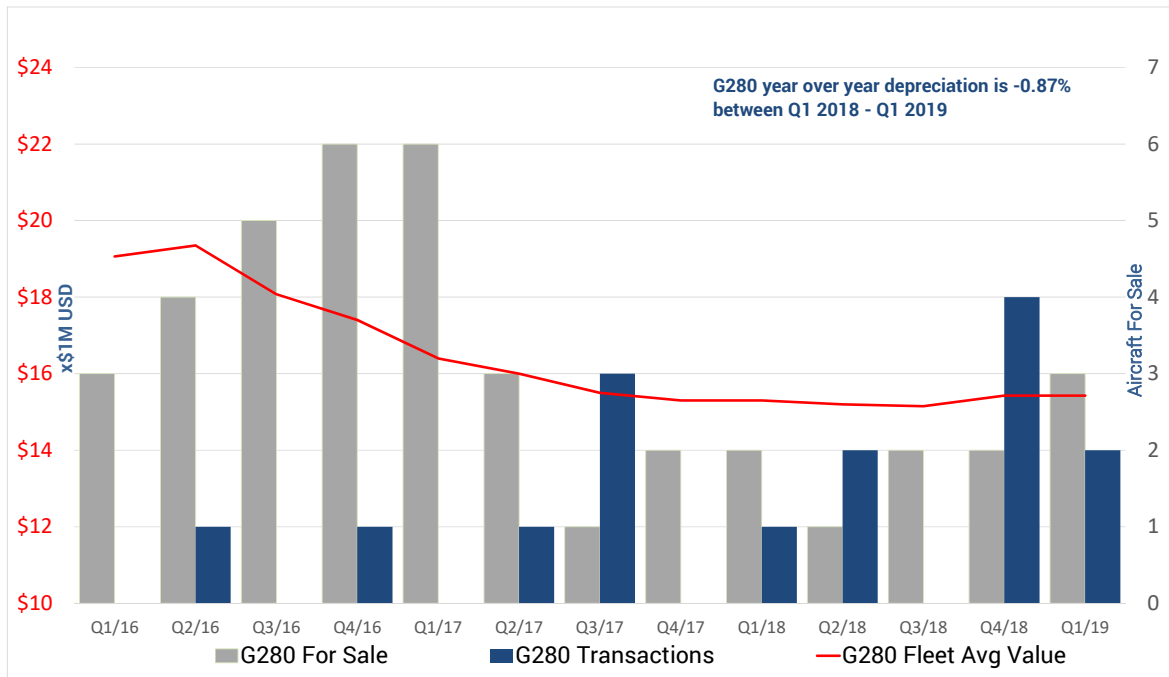
# Gulfstream G280

Current Supply of G280's in the market: **3**

In production <b>159</b>	Available For Sale 24 MO High <b>3 - Q1 2019</b>	Number of Price Reductions <b>2</b>	N-Registered on Market <b>2/3</b>
Deals Pending <b>0</b>	Available For Sale 24 MO Low <b>1 - Q2 2018</b>	Average Price Reduction <b>-3%</b>	#Enrolled on Engine Program <b>3/3</b>
Net For Sale <b>3</b>	Transactions YTD <b>3</b>	Current G280 Ask Price Range <b>\$15.75M - \$16.75M USD</b>	# Based in US <b>2/3</b>
% Of Fleet For Sale <b>1.8%</b>	Transactions Same period 2018 <b>1</b>	Current G280 Avg. Ask Price <b>\$16.25M USD</b>	Average Days On Market <b>55</b>

## Gulfstream G280 Value/Transaction History

As of March 29, 2019



## G280 Market Summary

Availability for pre-owned G280s remains extremely limited, with only three currently available. When an airplane does become available, it typically sells within 55 days, 60% of the average time of 91 days we saw a year ago.

Inventory levels continue to rise after teetering between one to two aircraft per quarter since Q3 2017. G280 inventory hit 3 this quarter, a level not reached since Q2 2017.

Q1 saw a total of 3 sales. This is the second highest number of transactions seen since before 2014. It is a welcome sign coming after the dry spell when there were no transactions in the G280 market from Q1 2014 through Q1 2016. Due to the dwindling supply, these figures will likely decrease.

Current Ask Prices for the G280 range from \$15.75M for a 2014 U.S.-based model with engines and APU on MSP Gold, to \$16.75M for an aircraft of the same model year, also on MSP Gold, but with half the airframe hours and based in Cyprus. Average Ask Price is \$16.25M.

G280 fleet average values remain at 15.425, same as last quarter, when they experienced their first increase since Q2 2016. YOY and QOQ depreciation this quarter were minimal, with YOY depreciation at 0.81% and no QOQ depreciation.



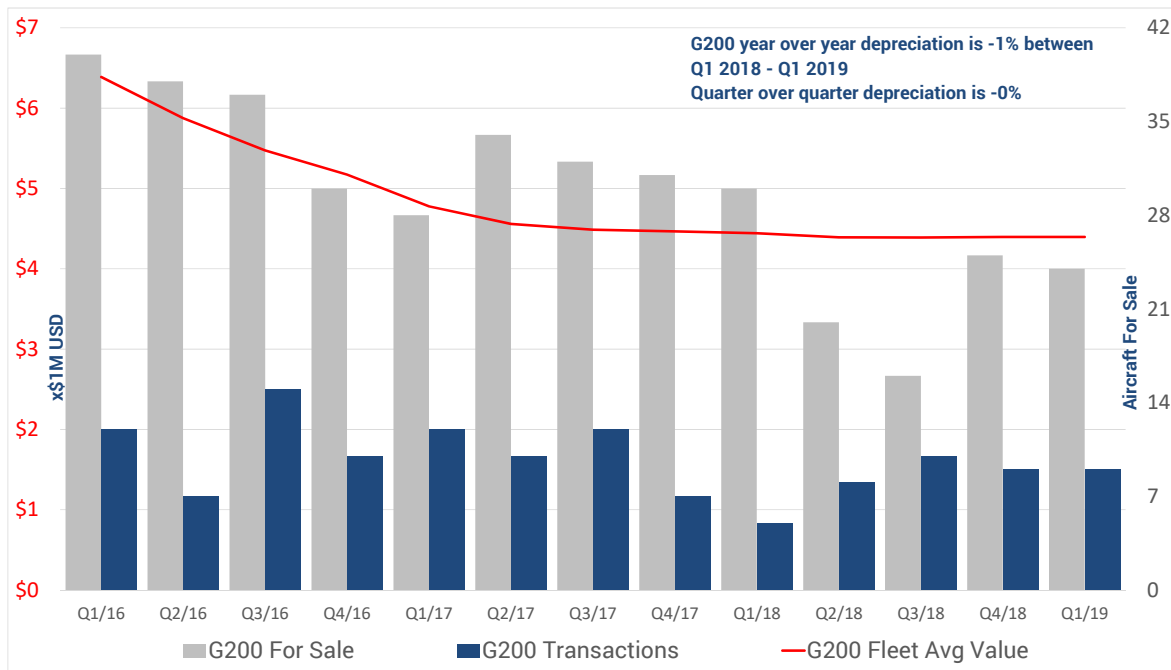
# Gulfstream G200

Current Supply of G200's in the market: **24**

Active Fleet <b>244</b>	Available For Sale 24 MO High <b>34 - Q2 2017</b>	Number of Price Reductions <b>5</b>	Avg Sale Price Q1 2019 <b>\$7M USD</b>
Deals Pending <b>0</b>	Available For Sale 24 MO Low <b>16 - Q3 2018</b>	Average Price Reduction <b>-4.5%</b>	For Sale w/Engine Program <b>100% (24 of 24)</b>
Net For Sale <b>24</b>	Transactions YTD <b>9</b>	Current G200 Ask Price Range <b>\$2.6M - \$5.99M USD</b>	For Sale w/Hi Speed Data <b>75% (18 of 24)</b>
% Of Fleet For Sale <b>9.8%</b>	Transactions Same period 2018 <b>5</b>	Current G200 Avg. Ask Price <b>\$4.3M USD</b>	Average Days On Market <b>145</b>

## Gulfstream G200 Value/Transaction History

As of March 29, 2019



## G200 Market Summary

There are 24 pre-owned G200's on the market with no deals pending. Net supply is 24 aircraft, representing 9.8% of the entire active fleet of 244.

Supply of G200's remains in the mid-20's level, consistent with last quarter. Number of transactions are also stable, averaging 9 sales per quarter since Q2 2018. G200 inventory and number of transactions saw their lowest ebb from Q1 to Q3 of last year, and both are now trending upward. 5 price reductions in this market certainly helped push the number of sales upward.

G200 ask prices currently range from \$2.6M for a 2000 model with low hours (3,370,) engines on ESP Gold, APU on ESP, to just under \$6M for a 2008 model, engines on ESP Gold, APU on MSP Gold, equipped with ATG 5000 Broadband, bringing the average to \$4.3M.

QOQ depreciation remains flat at 0%, while YOY depreciation dropped a scant 1%.





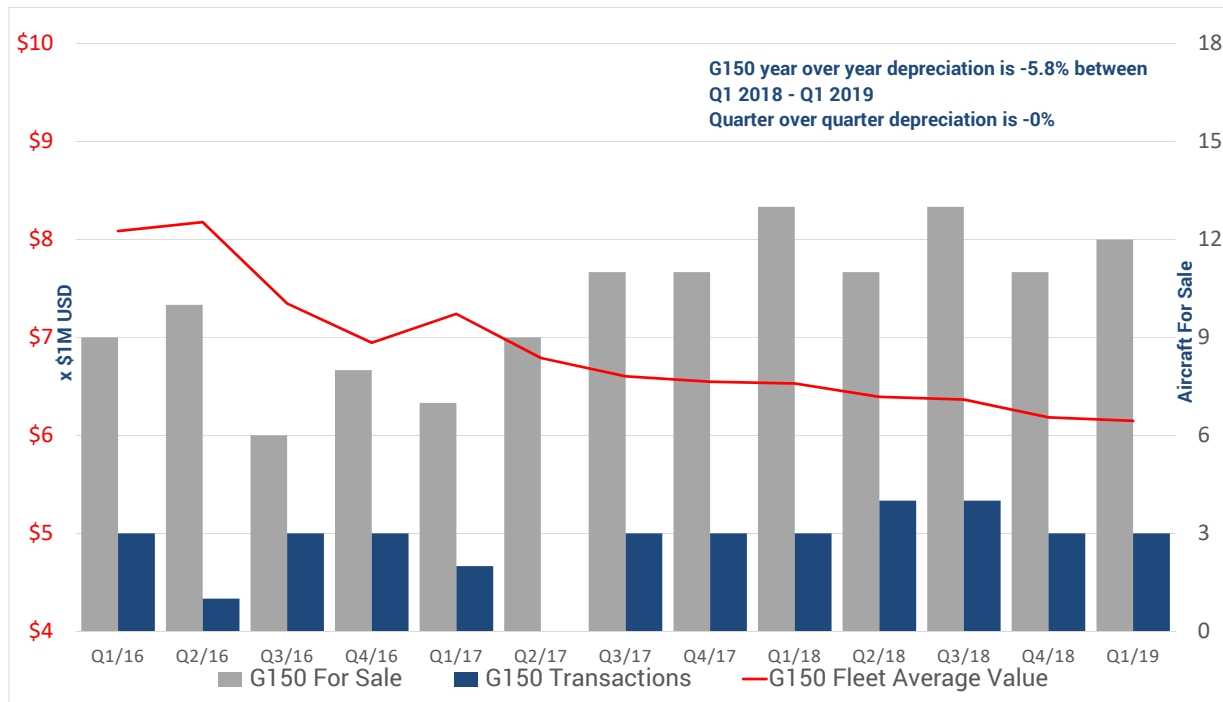
# Gulfstream G150

Current Supply of G150s in the market: **12**

Active Fleet <b>125</b>	Available For Sale 24 MO High <b>13 - Q3 2018</b>	Number of Price Reductions <b>3</b>	For Sale w/ High Speed Data <b>50% (6 of 12)</b>
Deals Pending <b>1</b>	Available For Sale 24 MO Low <b>9 in Q2 2017</b>	Average Price Reduction <b>-6%</b>	For Sale w/ Engine Program <b>83% (10 of 12)</b>
Net For Sale <b>11</b>	Transactions YTD <b>3</b>	Current Ask Price Range <b>\$3.8M to \$6.8M USD</b>	Average Days On Market <b>220</b>
% Of Fleet For Sale <b>9%</b>	Transactions Same Period 2018 <b>3</b>	Average Ask Price <b>\$5.3M USD</b>	For Sale w/ U.S. Registration <b>83% (10 of 12)</b>

## Gulfstream G150 Value/Transaction History

As of March 23, 2019



## G150 Market Summary

There are currently 12 G150's advertised for sale with 1 deal pending. This is consistent with the average of 12 planes every quarter since Q2 2017.

Net supply is 11 airplanes for sale, representing 9% of the entire active fleet of 125.

Ask prices currently range between \$3.8M for a 2008 UK-based aircraft with no engine program and APU on JSSI, and \$6.8M for a 2013 model with engines on MSP Gold and APU on MSP based in the U.S., for an average of \$5.3M.

Values have declined to the low-\$6M's after holding steady in the mid-\$6M's since Q3 2017. Q1 saw three G150 transactions, continuing the 3-4 average sales per quarter since Q3 2017. 1 of the 3 transactions was an Off Market aircraft.

YOY depreciation at -5.8% and QOQ depreciation at 0% reflect the limited activity over the past 24 months in the G150 market.

**Sold**



**1999 Gulfstream GIV-SP**  
SN: 1370

**Sold**



**2005 Lear 60SE**  
SN: 60-290

**Acquired**



**2012 Gulfstream G200**  
SN: 250

**Acquired**



**2001 Gulfstream G150**  
SN: 270

**Acquired**



**2008 Bombardier CL605**  
SN: 5708

**Sold**



**2001 Falcon 2000**  
SN: 152

**Acquired**



**2001 Gulfstream GV**  
SN: 621

**Acquired**



**2004 Gulfstream G400**  
SN: 1522

**Sold**



**2011 Gulfstream G550**  
SN: 5330

**Sold**



**2007 Gulfstream G500**  
SN: 5158

**Sold**



**1999 Gulfstream IV-SP**  
SN: 1376

**Acquired**



**2011 Gulfstream G450**  
SN: 4218



**2000 Gulfstream V**  
SN: 621



**1999 Gulfstream V**  
SN: 567



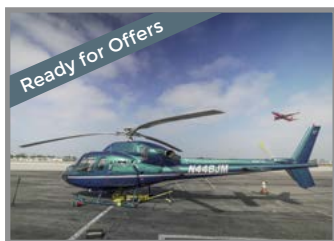
**1995 Gulfstream GIV-SP**  
SN:1294



**1997 Hawker 800XP**  
SN: 258316



**1987 King Air 300**  
SN: FA-115



**1997 Airbus Helicopter**  
SN: AS355N

## Business Jet Sales and Acquisition Experts

Hagerty Jet Group is a business aircraft brokerage firm providing aircraft sales, marketing and acquisition services to large corporations and high-net-worth individuals. Founded by veteran Gulfstream Specialist, James Hagerty, the firm is headquartered in Savannah, Georgia, conveniently near Gulfstream's headquarters, with satellite offices in Charlotte, Dallas, and Los Angeles.



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